

New COVID-19 variants: Same same but different as 2020?

DIGITAL ENGAGEMENT TEAM

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TRADING MATTERS SERIES: NEWS FOCUS

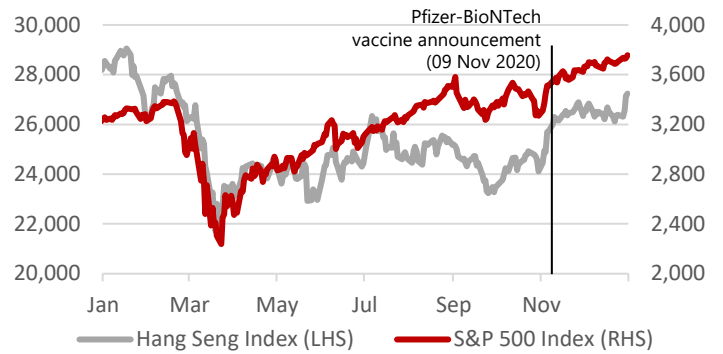
The summary and impact of a major news event

What you need to know:

Recent News Flows

- More contagious coronavirus variants identified in the UK and South Africa continue to crop up across the globe (USA Today, 05 Jan 2021)
- From local curfews to alcohol bans and complete lockdowns, countries across the world have tightened restrictions to tackle a surge in cases (CNN, 03 Jan 2021)
- Pfizer-BioNTech and Moderna expect immunity from their vaccines to protect against the variants and are performing more tests in the coming weeks to confirm (The Straits Times, 22 Dec 2020)

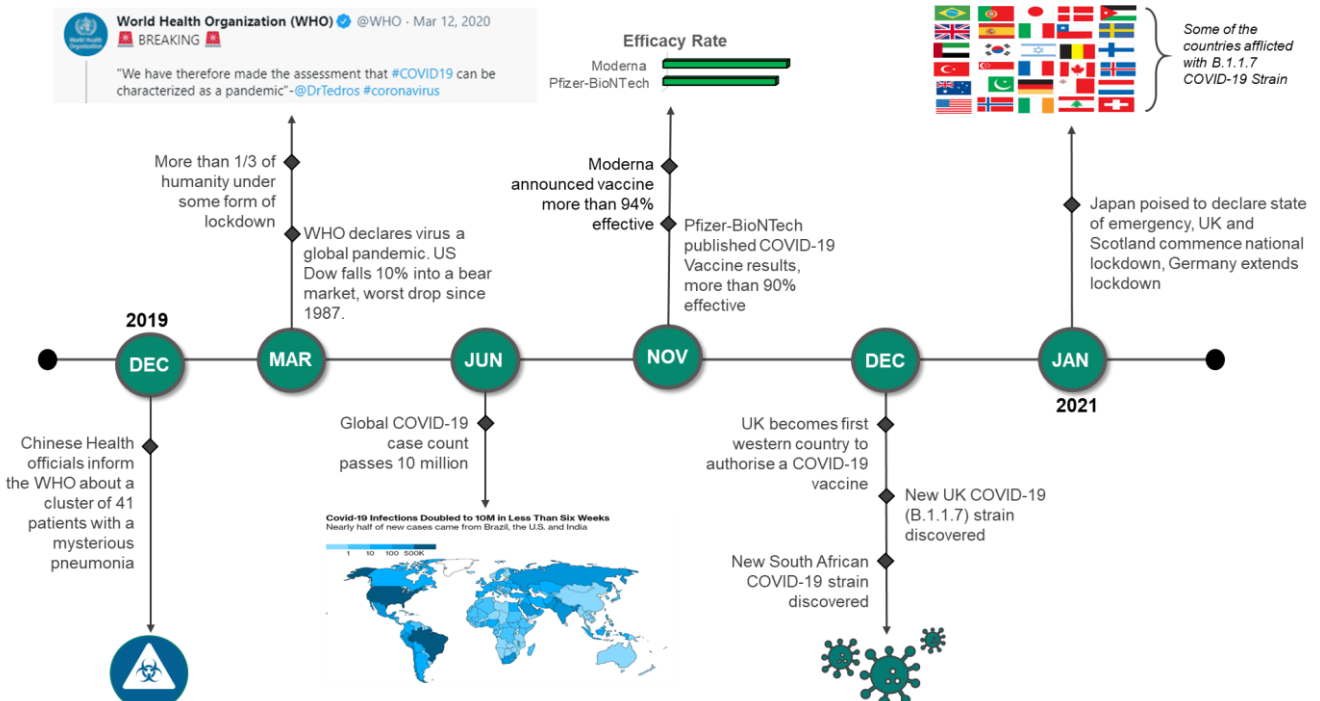
2020 Performance of US and HK markets



Index Name	2020 Performance Pre-Vaccine	2020 Performance Post-Vaccine	2020 Performance
S&P 500 Index	8.63%	7.03%	16.26%
Hang Seng Index	-8.79%	5.90%	-3.40%

*Pre and Post-Vaccine performances are in reference to the Pfizer-BioNTech vaccine announcement on 09 Nov 2020

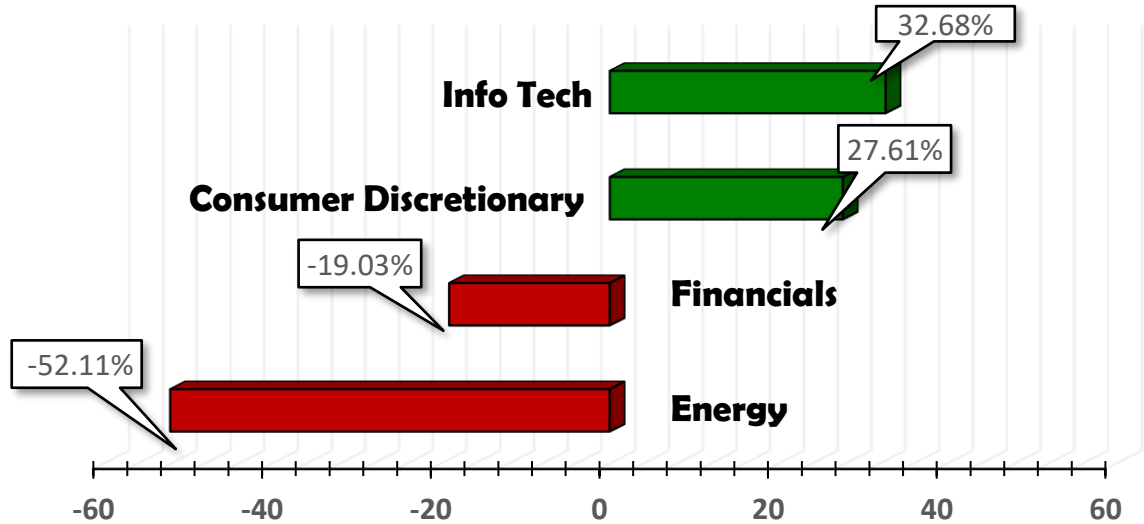
Key COVID-19 Timeline



Source: Bloomberg, Business Insider, CNBC, WHO

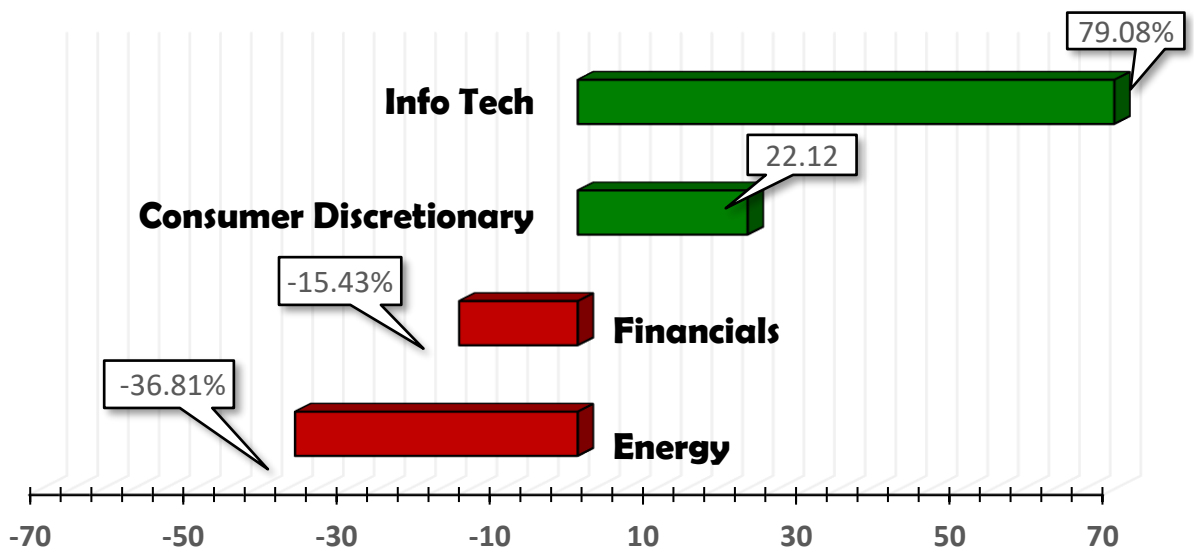
Sector performances from 1st Jan 2020 to 8th Nov 2020 (Prior to Pfizer-BioNTech's vaccine announcement)

S&P 500 Index



	Energy	Financials	Consumer Discretionary	Info Tech
Returns (%)	-52.11	-19.03	27.61	32.68

Hang Seng Composite Index



	Energy	Financials	Consumer Discretionary	Info Tech
Returns (%)	-36.81	-15.43	22.12	79.08

Information Technology

Technology was the top sector outperformer for both the S&P 500 and Hang Seng Composite Index for the first 10 months of 2020, as traders and investors alike rushed into stay-at-home stocks amid the raging COVID-19 pandemic and global lockdowns. The sector rallied an impressive 32.68% in the US and 79.08% in Hong Kong prior to Pfizer's vaccine announcement on 9th Nov 2020, vs. the broader S&P 500 (8.63%) and HSCI (6.98%) for the same period.

Name	Market Cap (in USD)	Last Price	2020 Performance (Pre-Vaccine)	2020 Performance (Post-Vaccine)	2020 Performance (Full Year)
TENCENT HOLDINGS LTD (700 HK)	721.92 Billion	583.5	63.60%	-8.22%	50.16%
JD.COM INC – CL A (9618 HK)	136.78 Billion	338.8	58.50%	-4.52%	51.33%
APPLE INC (AAPL US)	2,200.20 Billion	129.41	61.67%	11.80%	80.74%
MICROSOFT CORP (MSFT US)	1,645.84 Billion	217.69	41.86%	-0.58%	41.04%

Consumer Discretionary

Consumer Discretionary was another strong outperformer in Pre-Vaccine 2020, buoyed in part by electric vehicle names that caught the world by storm. While much of the global car industry saw drops in sales during the worst months of COVID-19, the EV market continued its relentless growth. This, together with iconic events such as Tesla's S&P 500 inclusion and supportive government policies from the UK and China, has led Forbes to dub 2020 as "The Year Electric Cars Came Of Age".

Name	Market Cap (in USD)	Last Price	2020 Performance (Pre-Vaccine)	2020 Performance (Post-Vaccine)	2020 Performance (Full Year)
BYD CO LTD-H (1211 HK)	88.78 Billion	229.6	399.36%	4.74%	423.04%
GREAT WALL MOTOR CO-H (2333 HK)	46.05 Billion	25.15	137.15%	94.73%	361.81%
AMAZON.COM INC (AMZN US)	1,598.90 Billion	3186.63	79.20%	-1.64%	76.26%
TESLA INC (TSLA US)	691.75 Billion	729.77	413.89%	64.13%	743.44%

Note: Market Cap, Last Price, and 2020 Performances are extracted from Bloomberg as of 05 Jan 2021, 5pm (SGT). Pre and Post-Vaccine performances are in reference to the Pfizer-BioNTech vaccine announcement on 09 Nov 2020. Stocks highlighted are the largest market cap stocks in the S&P 500 and Hang Seng Composite Index for their respective sectors.

Energy

April 2020 marked the first time in history that oil prices turned negative, spurred by the crash in global demand for the commodity due to the pandemic, as well as the price war between Saudi Arabia and Russia in early March. The Energy sector finished 2020 as its worst performer, battered more than -30% down in both the S&P 500 and HSCI sector gauges, despite a vaccine-hope fueled rally in the last 2 months of the year.

Name	Market Cap (in USD)	Last Price	2020 Performance (Pre-Vaccine)	2020 Performance (Post-Vaccine)	2020 Performance (Full Year)
PETROCHINA CO LTD-H (857 HK)	111.19 Billion	2.38	-41.18%	4.35%	-38.62%
SINOPEC CORP-H (386 HK)	71.05 Billion	3.53	-31.98%	8.78%	-26.01%
EXXON MOBIL CORP (XOM US)	175.47 Billion	41.5	-53.02%	25.75%	-40.93%
CHEVRON CORP (CVX US)	163.07 Billion	84.71	-40.96%	18.69%	-29.92%

Financials

Financials were hammered down to the tune of double-digit declines on both the S&P 500 and HSCI indexes from January to October. Positive vaccine developments, as well as the central banks' lifting of previously imposed bans on dividend pay-out and share buybacks for European and US banks in the latter part of 2020 has since seen the sector paring back a significant portion of its losses.

Name	Market Cap (in USD)	Last Price	2020 Performance (Pre-Vaccine)	2020 Performance (Post-Vaccine)	2020 Performance (Full Year)
ICBC-H (1398 HK)	261.15 Billion	4.81	-22.00%	7.48%	-16.17%
PING AN INSURANCE-H (2318 HK)	231.29 Billion	93.75	-11.29%	16.28%	3.15%
JPMORGAN CHASE & CO (JPM US)	383.68 Billion	125.87	-26.14%	23.42%	-8.85%
BERKSHIRE HATHAWAY - CL B (BRK/B US)	536.20 Billion	228.45	-7.79%	11.02%	2.37%

Note: Market Cap, Last Price, and 2020 Performances are extracted from Bloomberg as of 05 Jan 2021, 5pm (SGT). Pre and Post-Vaccine performances are in reference to the Pfizer-BioNTech vaccine announcement on 09 Nov 2020. Stocks highlighted are the largest market cap stocks in the S&P 500 and Hang Seng Composite Index for their respective sectors.

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